GOVERNMENT OF INDIA
NON-CONVENTIONAL ENERGY SOURCES
LOK SABHA

UNSTARRED QUESTION NO:1695
ANSWERED ON:28.11.2002
SOLAR WATER HEATING SYSTEM
PRABHUNATH SINGH

Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) Whether the Group Housing Societies or large housing complexes have to pay higher rate of interest as compared to domestic sectors for solar water heating system;

(b) if so, the reasons thereof;

(c) whether there is any proposal to allow housing societies to pay interest @ 5% for SWHS; and

(d) if not, the reasons thereof?

Answer

MINISTER OF STATE FOR NON-CONVENTIONAL ENERGY SOURCES (SHRI M. KANNAPPAN)

(a),(b) & (c) : The Ministry of Non-Conventional EnergySources is implementing an interest subsidy scheme through the Indian Renewable Energy Development Agency (IREDA) and some banks to help finance the purchase of solar water heating systems by householders as well as by commercial and industrial users. The rate of interest applicable for loans to householders is 5% per annum. However, a higher rate of interest was being charged by IREDA as the loans were taken by corporate bodies who were constructing houses or flats for individuals. This anomaly has now been corrected. The Ministry has issued fresh guidelines this year under which housing cooperative societies and the developers of real estate will be eligible for soft loans for installing solar water heaters at an interest rate of 5%. Such organizations can now approach IREDA or its financial intermediaries as well as any of the participating banks for obtaining the loans. However the borrowers will have to give an undertaking that no depreciation allowance would be availed.

(d) Does not arise.